Response to Specification Objection #2

Cross reference to related application:

This application is continuation in part (CIP) to previous application: Risk Management

for Manufacturing

09/640,272 dated 8/17/2000   Risk Management for Manufacturing

Response to Drawing Objection # 3

The following addendum is inserted in page 8 of specification, providing a short explanation for each drawing.

Addendum to page 8 of specification: Short explanation of drawings.
Fig. 100

Fiduciary Account (101) refers to permanent user account residing in the partner, bank.

Escrow account (102) is an electronic virtual holding account that serves as a book-keeping account for computer generated transactions.

Fig 200

Partner bank (205) is an independent financial institution linked to worldwide banking system.

System (204) refers to a Node of operation in a given location. It is a computerized trading facility located in a country where it is licensed to trade physical goods. Interface is a computer program that provides communication protocol between two computers.

User interface (202) is simply the worldwide web browser. Banks interface require additional layer(s) of communication such as Automatic Clearing House (ACH).

Fig 300

Order (304) is a generated purchase or sale instruction based selected from menu on computer screen. Order match clearing (305) refers to identical buy and sell created by two different users.

Performance bond (307) is an insurance or guarantee instrument for honoring an order if it is matched or filled.

Clearing refers to book keeping transaction that ensures buyer and seller both has deposited the exact value of contract. In case of spot trade the warehouse receipt replaces cash.

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Fig 350

Warehouse refers to a physical warehouse which is bonded (352), that is, guaranteeing the goods availability at all times based on the bill of lading provided to buyer. Physical delivery means electronic warehouse receipt as bill of lading.

Fig 400

Cash settlement refers to transaction settlement where no physical delivery is made yet, that is, the contract is not closed or completed, known as open contract.

Fig 450

The clearing process between two users (451 and 451') from any two nodes whose transaction is financially cleared (457)through their respective local banks(452 and 452') facilitated(455) by an independent financial institution, who in turn is linked to worldwide financial system.

Fig 500

Inter-networking refers to a secured network that is created by a unified interface among members of a group.

Fig 700

Open clearing allows the Partner banks(707's) of all Nodes employ a common cash management as electronic fund transfer (EFT).

Payment is a subsystem of cash management. Automatic Clearing House (ACH) is Federal Reserve system which is available to banks in select countries. Society of Worldwide Interbank Financial Transaction (SWIFT) format MT103 is a communication protocol for inter-bank transactions.

Fig. 800

Fiduciary account explained in Fig. 100 assumes that all financial transactions are performed in local currency. Fund maintenance refers to the case where some transactions may require foreign currency translation; if so the Fiduciary account (802) will consist of two sub accounts, one in local currency (804) another in US Dollar.

Fig 900

Inter nodal payment addresses foreign payments that may involve fixed (F) rate currencies, including dollar pegged, for example Chinese Yuan, or variable(V) rate currencies, for example euro. Fig 900 depicts the process flow, between two Nodes, for each of the scenarios under any system of payments. For fixed currency, the process flow applies Federal Reserve ACH system (906) at fixed rate conversion (907); whereas for, say, euro the process flow employs universal EFT (905) after converting (907) at offered rate at the time of clearing.

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Fig. 1100
All Nodes operate during normal daytime hours at local time based on US Easter Standard Time(EST)

Fig. 1200
Time lapsed between clearing and daily settlement is shown to be not more than 2-days which includes international time zone (Pacific midpoint)

Fig. 1300
SWIFT protocols specify various codes for monetary transaction such as fund transfer

Fig. 1400
SWIFT protocols specify various codes for messaging such as statement of account

Response to Claim Objection #4

Last amended claims submitted September 3, 2009 in response to *Notice of Non-*

Compliant dated September 1, 2009.

Claims 1-18 have been appropriately re-labeled: attached new amendment)

Claim 17 has been amended to address the objection

The newly amended claim is attached.

Response to Claim Rejection # 5

Claim 18 amended to comply with 35 U.S.C. 101

The attached amended claim addresses claim rejection #5

Response to claim Rejection # 6

Claim 1, steps g and h amended to comply with U.S.C. 112, 2nd paragraph

The amended claim addresses claim rejection #6

Response to claim Rejection # 7

Claims 1-9, 11-13 and 15-18 have been amended to comply with U.S.C. 112

The amended claim addresses *claim rejections #7*.

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